



General Assembly

January Session, 2005

***Raised Bill No. 6831***

LCO No. 4157

\*04157\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

***AN ACT PREVENTING BANK FRAUD AND IDENTITY THEFT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-44 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 No provision of sections 36a-41 to 36a-45, inclusive, shall be  
4 construed to prohibit: (1) The preparation, examination, handling or  
5 maintenance of any financial records by any officer, employee or agent  
6 of a financial institution having custody of such records or the  
7 examination of such records by a certified public accountant engaged  
8 by the financial institution to perform an independent audit; (2) the  
9 examination of any financial records by, or the furnishing of financial  
10 records by a financial institution to any official, employee or agent of a  
11 supervisory agency solely for use in the exercise of the duties of such  
12 official, employee or agent; (3) the publication of data furnished from  
13 financial records relating to customers where such data does not  
14 contain information identifying any particular customer or account; (4)  
15 the making of reports or returns required under the Internal Revenue  
16 Code of 1986, or any subsequent corresponding internal revenue code  
17 of the United States, as from time to time amended; (5) disclosure of

18 information permitted under the Uniform Commercial Code  
19 concerning the dishonor of any negotiable instrument; (6) the  
20 exchange, in the regular course of business, of credit information  
21 between a financial institution and other financial institutions or  
22 commercial enterprises, directly or through a consumer reporting  
23 agency; (7) disclosures to appropriate officials of federal, state or local  
24 governments upon suspected violations of the criminal law; (8)  
25 disclosures pursuant to a search warrant issued by a judge of the  
26 Superior Court or a judge trial referee under the provisions of section  
27 54-33a; (9) disclosures concerning lawyers' clients' funds accounts  
28 made to the state-wide grievance committee pursuant to any rule  
29 adopted by the judges of the Superior Court; (10) disclosures to the  
30 purported payee or to any purported holder of a check, draft, money  
31 order or other item, whether or not such check, draft, money order or  
32 other item has been accepted by such payee or holder as payment, or  
33 to any financial institution purportedly involved in the collection  
34 process of a check, draft, money order or other item whether such  
35 check, draft, money order or other item would be paid if presented at  
36 the time of such disclosure; (11) any disclosure made in connection  
37 with a financial institution's attempts to preserve its rights or  
38 determine its liabilities with regard to any funds transfer or any check,  
39 draft, money order or other item drawn by or upon it or handled by it  
40 for collection or otherwise; (12) disclosures to an insurance company  
41 for purposes of risk assessment in connection with obtaining or  
42 maintaining a surety bond or fraud investigations; (13) any other  
43 disclosure required under applicable state or federal law or authorized  
44 to be made to any regulatory or law enforcement agency under  
45 applicable state or federal law; (14) disclosures made to a broker-dealer  
46 or investment advisor that is engaged in a contractual networking  
47 arrangement with the financial institution making the disclosure,  
48 provided, it is clearly and conspicuously disclosed to the customer that  
49 the information may be communicated among such entities and the  
50 customer is given a reasonable opportunity, before the time that the  
51 information is initially communicated, to direct that such information

52 not be communicated among such entities; (15) disclosures made to a  
 53 customer service representative who is employed by, or otherwise acts  
 54 as an agent for, both the financial institution and a broker-dealer, or  
 55 both the financial institution and an investment advisor, where such  
 56 broker-dealer or investment advisor is engaged in a contractual  
 57 networking arrangement; [and] (16) disclosures to other employees or  
 58 agents of a broker-dealer or investment advisor engaged in a  
 59 contractual networking arrangement in order to comply, or verify  
 60 compliance, with applicable laws governing the activities of the  
 61 financial institution, broker-dealer or investment advisor; (17) any  
 62 disclosure of information to an information network that may be  
 63 accessed by financial institutions, other commercial enterprises and  
 64 law enforcement authorities for the purpose of detecting or protecting  
 65 against actual or potential fraud, unauthorized transactions, claims or  
 66 other liability; and (18) disclosures made to a victim of identity theft  
 67 pursuant to the federal Fair Credit Reporting Act, 15 USC 1681g. For  
 68 purposes of this section, the phrase "contractual networking  
 69 arrangement" means a contractual arrangement between a financial  
 70 institution and a broker-dealer registered in this state or an investment  
 71 advisor registered in this state or that has filed a notice of exemption  
 72 pursuant to subsection (e) of section 36b-6, where the broker-dealer or  
 73 investment advisor offers securities related services to the customers of  
 74 the financial institution.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2005</i>	36a-44
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***Statement of Purpose:***

To specifically provide that the state statutes concerning financial privacy do not prevent (1) the disclosure of information to information networks accessed by financial institutions, other commercial enterprises and law enforcement authorities for the purpose of detecting or preventing against fraud, and (2) disclosures made to a victim of identity theft pursuant to the federal Fair Credit Reporting Act.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*